

HABILITATION THESIS REVIEWER'S REPORT

Masaryk University

Applicant

Mgr. Ing. Pavol Minárik, Ph.D.

Habilitation thesis

The Economics of Religion in Communist and Post-Communist Central Europe

Reviewer

Assoc. Prof. Dr. rer. pol. Jan Mewes

Reviewer's home unit, institution

Faculty of Social Sciences, Lund University

Pavol Minárik's habilitation thesis is situated in the, according to the author, quite marginal field of economics of religion, which draws theoretically heavily on texts from sociology, religious studies and political science, all the while using the, from my perspective, rigorous tool box of economics.

The thesis undertakes the laudable endeavor to deviate from the frequently criticized Western-centric view of the field, shifting the focus to the economics of religion in Communist and post-Communist Central Europe. Beside a summarizing and commenting 'kappa' – a commentary that introduces the reader to the field, defines the most pressing research questions and explains the methodology and findings – the thesis consists of five different papers, with all of them being published in established international peer-reviewed scientific journals.

In the author's own words, the first paper (Minarik 2018) provides an economic model of religious organization under repression and offers an explanation for its choice between legal and illegal operation. The second paper (Minarik 2022a) focuses on the persistence of opposition in an oppressive regime with particular attention to the case of the Catholic Church in Czechoslovakia. The third paper (Minarik 2014) accounts for the development of religiosity in the post-communist period, both the initial revival and the subsequent decline; the explanation is based on a microeconomic model of household allocation of time. The fourth paper (Minarik 2019) turns attention to the post-communist church-state settlements in Central Europe and tries to explain the unusual duration and the specific outcome of that process in Czechia. The fifth paper (Minarik 2022b) examines the attitudes of Czechs towards churches as reflected in the state-paid salaries of the clergy under communism and in the post-communist period.

Theoretically, the papers depart from a rational-choice perspective, a decision that I will critically get back to by the end of my recommendation letter. Methodologically, the papers draw on diverse techniques and data sources, using case studies, comparative studies or statistical methods that draw on historical and contemporary data to study both between- and within-country variation.

The **first paper** (Minarik 2018) offers a model of church operation under repression, predicting that, absent any costs of diversified operation, it is advantageous for a church to operate both legally and underground. If those costs are positive, the church is more likely to

diversify where repression is tougher. Churches that claim exclusivity, such as the Catholic Church, are more likely to diversify. The paper illustrates and tests the prediction with a comparative case study of communist Poland and Czechoslovakia. While in Poland the Catholic Church enjoyed relative freedom, religious repression in Czechoslovakia was among the toughest in Europe. Minarik empirical findings matches those predicted by the model: In Poland, the Church had not developed any underground structure. On the contrary, the Church in Czechoslovakia, facing serious repression, developed an extensive underground structure parallel to the official operation of the Church. The Church never ceased to seek compromise with the Communist state, so it could minister to its more risk-averse (or relatively less religious) members. At the same time, believers looking for religious services untainted by the compromise could have satisfied their needs within the underground Church.

In the **second paper**, Minárik (2022a) offers a model explaining the persistence of opposition to an oppressive regime. It predicts that the membership in the oppressed religious group is more likely to be persistent if it is connected with an initial sacrifice affecting both religious life and secular productivity. The model predicts a trap created by the initial sacrifice. Due to that trap, some members do not leave the group despite the continuing or even increasing repression. While the predictions of the model are difficult to observe at the individual level, the trap shall, at the societal level, manifest itself as a hysteresis in respect to measures of religious activity; particularly the decline of religiosity shall lag behind the increase of repression. When it appears that the antireligious measures soften or the oppressive regime will end soon, people are more likely to join the oppressed religious group. And even if that does not happen and the repression continues, members do not leave the group due to the trap and continue to practice religion. Empirically, that explanation fits well into the data on religiosity in Communist Czechoslovakia. During Communist rule, religiosity in Czechoslovakia declined; however, the decline was uneven. In the first two decades after 1948, church attendance fell significantly; the decline was somewhat slower in Slovakia. In the late 1960s during the period of Prague Spring, there was a minor religious revival in Czechia, and there was the stabilization of religious activity in Slovakia. Notably, it did not end with the Soviet invasion of 1968, and church attendance increased well into the 1970s. The revival is observable in different measures of church attendance as well as from the data on Catholic baptisms and marriages.

The general decline of religiosity during the communist period is unsurprising. It is possible that the forced secularization brought about by the communists only accelerated the trend of secularization observable elsewhere in Europe. However, the revival of the 1970s does not fit that trend. Furthermore, the communist antichurch policy, which was relaxed in the 1960s, tightened again in the period of "normalization" after 1968. Despite that, the trend of secularization was temporarily reversed. Such development fits the predictions of the model well. The model is also consistent with the post-1990 religious revivals observed across Central and Eastern Europe.

Minárik (2014) analyzes, in the **third paper** constituting the cumulative habilitation thesis, the rise and fall of the post-1990 religious revivals in CEES countries. His model predicts that people are sensitive to opportunity costs even when deciding about religious participation. Thus, the revival could be attributed to the decreasing real wages and increasing unemployment in the early post-communist transition. Similarly, the subsequent decline of religious participation could be attributed to economic recovery, improving labor income and lower unemployment. Using ISSP data, the empirical part of the paper confirms the sensitivity to opportunity costs. Minarik finds a significant difference in participation rates of employed people and others across time and countries, concluding that the paper presents a challenge or an alternative to the most-favored "economic" theory regarding the post-communist transition, that is, the supply-side explanation which posits that the post-1990 religious revivals are brought about by deregulation and increase in competition. Indeed,

deregulation of the religious market occurred in the post-communist countries; however, the competition did not increase significantly in the Central European religious markets.

In the fourth paper, Minárik (2019) focuses on the post-communist church-state settlements, developing a model that explains why the settlement took much longer in Czechia than in other Central European countries. Building on public economics and public choice theories, the paper attributes the duration and the outcome of the negotiations between Czech churches and the government to the specific preferences of the Czech population. The paper attributes the difference between Central European countries to the different attitudes of the people towards organized religion. While those attitudes are assumed to be unimodal in Poland, Slovakia and Hungary, with the median voters being positioned differently in those countries, in Czechia, it is estimated that the population is divided into two distinct groups, one pro-church and one anti-church. While there is little direct empirical evidence to corroborate the predictions, there are some observations that support the hypothesis. Among the Central European nations, Czechs have by far the lowest confidence in churches, and Czechia is the only country in the region where the people who have no confidence at all outnumber those who have a great deal or quite a lot of confidence, according to the European Value Study. Survey data also show a significant decline of confidence in churches over the 1990s. A similar picture is provided by church attendance rates. The relative confidence and attendance rates generally correspond to the public support for churches. Additionally, a survey by the Pew Research Center shows that Czechs, as compared to Hungarians and Poles, are less inclined to agree with state financing of churches.

In the fifth and final paper, Minárik (2022b) examines the development of state-paid salaries for the clergy introduced by the Communists in Czechoslovakia from their institution in 1949 until they were removed in a major change of church-state relations in 2012. In the initial years of Communist rule, it appears that the salaries were part of a "carrot and stick" strategy aiming to subject churches to the state. Later, the real value of salaries steadily decreased, leaving priests marginalized in the economic structure. Following the collapse of the Communist regime, the salaries of the clergy were significantly increased; although, in subsequent years, they followed a trend similar to the pre-1989 period. The similarity in the development of salaries in the Communist and post-Communist period and the reluctance to reconstitute the church property after 1989 reflects the attitudes of the Czech population and the political representation toward organized religion and the transition from assertive to passive secularism.

All in all, the habilitation thesis is an impressive testimony about what can happen if economics, sociology and religious studies are truly synced to an eclectic toolkit – in a positive sense! – that allows to study the relationship between regime change and religion in post-communist countries. Being mostly foreign to the field of the sociology of religion, I tremendously enjoyed Minárik's review about how churches can, theoretically, be framed as clubs that seek to maximize the welfare of its members, or to maximize the consumer surplus. Naturally, such a simple (or simplistic?) heuristic allows a variety of empirical approaches while, at the same time, providing an easy target for critical sociologists. With great joy, I thus decided to concentrate my – hopefully constructive! – criticism on the latter, hoping that my more econ-trained fellow peer-reviewers are able to write more about the empirical identification model which seems to be top-notch from my perspective.

As always in interdisciplinary research, some of each discipline's accuracy gets 'lost in translation'. Given my sociological background, I allow myself to point to some obvious *potential* simplifications – which strengths probably still outweigh its weaknesses. Minarik himself critically addresses some of the issues in his commentary, **speaking to his laudable critical self-awareness and academic well-roundedness.**

My first – friendly – criticism concerns the choice to frame religion from a demand-supply perspective where rational actors engage in a 'religious market' of sorts. **Unsurprisingly, this rational-choice approach to religion, which ironically emerged from sociology itself (Stark and Finke 2000), is heavily criticized among many sociologists.** While a certain interpretative strand of sociology (that I myself consider rather esoteric and ideological) questions *any* attempt to frame social action from a *homo economicus* perspective, I prefer here to adopt a *Weberian* perspective of rationality, which has, from my point of view, not lost any of its attraction. Needless to say, this critique is less based on my own critique than on that of a much more insightful fellow-sociologist of religion (Sharot 2002). Sharot (2002: 430) points, importantly, to the observation that Weber and Stark & Finke substantially disagree concerning the frequency at which actors truly engage in 'rational' action rather than 'affective' or 'traditional' action, with obvious implications for framing religious action. More importantly, Sharot argues that Stark & Finke ignore, when defining rational action, Weber's important distinction between *Zweckrationalität* (instrumental rationality), which is conceptually closest to the rationality assumed in most rational-choice models, on the one hand and *Wertrationalität* (value rationality) on the other hand (see also Jerolmack and Porpora 2004).

"Unlike zweckrational action, where the actor weighs the relative desirability of alternative ends in relationship to the costs which each end involves, in wertrational action the actor pursues a value regardless of the costs it may involve in other aspects of life" writes Sharot (2002: 430). As much as the economics of religion would like to define religious action along lines of instrumental rationality, it is a heatedly debated question if the second type of rational action, i.e. rational action guided by values, is not a much better theoretical match for religion. Such a definition would, from my experience, though discredit an econometric model where individuals make rational choices based on selecting the alternative with the highest utility and the lowest costs. This is, of course, a standing argument between sociologists, who assume that a huge chunk of human action is motivated by cultural values that cannot be reduced to material self-interest, and economics whose models often (but not always!) operate from assumptions of instrumental rational choice.

My **second point of constructive critique** departs also from a Weberian perspective. As a sociologist, I wonder how much the sociological Uber-concept of *power* fits into the supply-side rational-choice theory of religion? Here, I define power in a simple Weberian sense as the chance that actors, be it individuals or institutions, in a social relationship can exercise their will over others. Rather than conceiving of churches as actors that try to maximize their members' welfare, history shows that an alternative view where the (Catholic) church adopts a behavior that maximizes the welfare on the very few at the top of the church hierarchy through a maximization of exploitation (to use a Marxian term, sorry) of the churches' members. The question of power is also interesting from a church vs. state perspective, a question that also points to the risk of being too unspecific when confusing religion and churches (as organized religion). While the economics of religion seem to adopt a market economy perspective to religion, churches historically competed with states for power. This is an aspect that is, of course, hard to model in an econometric analysis of religious action, but should, from my point of view, be more critically discussed in public choice models of religion. A recent political science study even argues that "the roots of European state formation are more religious, older, and intentional than often assumed" (Grzymala-Busse

2024). It would certainly be interesting to try to accommodate those political motives over struggles for power into the existing econometric rational-choice models of religious action.

Despite those few and rather epistemological points of critique, I can only congratulate Pavol Minárik for 'boldly going where (hardly) nobody else has gone before'. Syncing insights from fields as diverse as sociology, religious studies and economics to empirically and rigorously analyze religious trends in – unfortunately all too often ignored – non-Western post-Communist contexts makes the cumulative habilitation a very important contribution to science. I thus unambiguously recommend the candidate for habilitation.

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Reviewer's questions for the habilitation thesis defence:

1. How important is it, for the models and the findings presented in the five articles, that common rational-choice models of religion omit Weber's distinction between value rationality (*Wertrationalität*) and instrumental rationality (*Zweckrationalität*)?
2. Historically, churches obviously strived for power and sometimes competed with or even preceded nation-states in exercising quasi-political power. Can power, here understood in a Weberian sense, as the chance to exercise own's will over others, be interpreted from a simple utility-maximization perspective in regard to the supply-side perspective of the rational-choice model of religion? Can power, as defined in the Weberian sense, be included in the available rational-choice models or would this require an extension of the currently available theoretical models?

Conclusion

The habilitation thesis entitled *The Economics of Religion in Communist and Post-Communist Central Europe* by Mgr. Ing. Pavol Minárik, Ph.D. **fulfils** requirements expected of a habilitation thesis in the field of Public Economics.

Date: 28 February 2024

Signature: